



HOUSING
DEPARTMENT

Downtown Density Bonus Program (DDBP) Affordable Housing Implementation

Design Commission Briefing, August 26, 2024

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Content

- Program History and Requirements
- Program Outcomes
- Density Bonus Funds at Work
- Discussion



Program History and Requirements

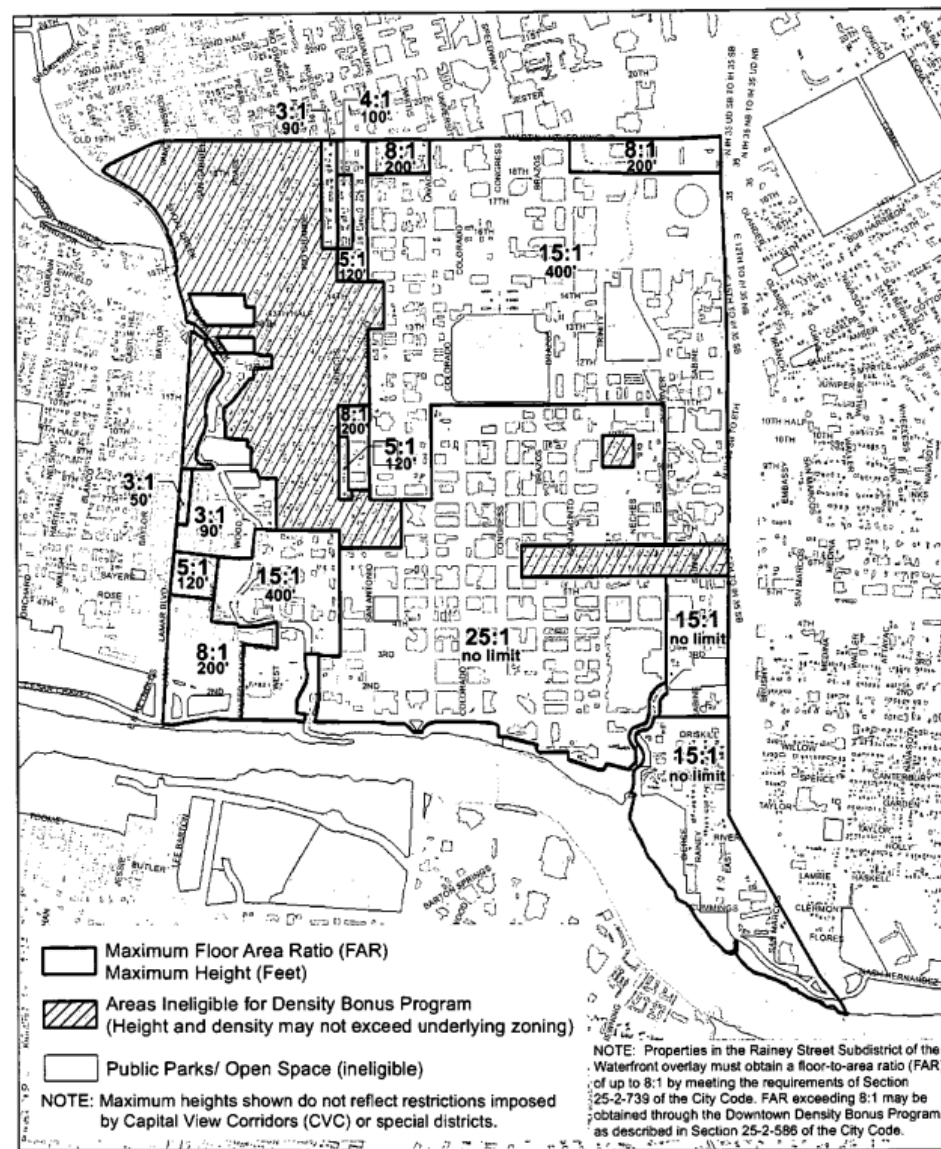


Downtown Density Bonus Program History

2013: Downtown Density Bonus Ordinance 20130627-105 passes replacing CURE (Central Urban Redevelopment).

2014: Downtown Density Bonus program is updated with a new ordinance 2014022-054 that provides additional definitions and sets up current Rainey Street subdistrict requirements

2021 and 2022 Recalibration: Added commercial fees, increased residential



Downtown Density Bonus Program - Eligibility, Floor Area Ratio (FAR) and Height Map
Figure 2: Page 1



Fee Recalibration

	2014 Fee (\$/SF Bonus Area)	2021 Interim Fees (\$/SF Bonus Area)	2022 Proposed Fee (\$/SF Bonus Area)
Residential - CBD zoned properties	\$10 or \$5	\$12	\$12
Residential - all other	\$5 or \$3	\$10	\$10
Residential - Rainey Street district	\$5	\$5	\$5
Commercial - CBD zoned	\$0	\$18	\$9
Commercial - all other	\$0	\$12	\$6



2024-2025 DDBP Fee-in-Lieu

Planning - General Fund	Fee	Note
Development Services Surcharge	4%	
Downtown Density Bonus in-lieu fees		
Commercial Properties with CBD zoning - All Districts	\$9.00	per sq. ft. bonus area
Commercial Properties with zoning other than CBD - All Districts	\$6.00	per sq. ft. bonus area
Core/Waterfront Subdistrict (Residential Use)	\$10.00	per gross bonus square foot
Lower Shoal Creek & Rainey Subdistricts (Residential Use)	\$5.00	per gross bonus square foot
Other Subdistricts (Residential Use)	\$3.00	per gross bonus square foot
Residential - Rainey Street District	\$5.00	per sq. ft. bonus area
Residential Properties with zoning other than CBD - All Districts other than Rainey Street District	\$10.00	per sq. ft. bonus area
Residential properties with CBD Zoning - All Districts other than Rainey Street District	\$12.00	per sq. ft. bonus area



Affordability Requirements

- 50% of bonus area must be achieved thru affordable housing benefits which can be done through a fee-in-lieu or on-site affordable units
- Rainey Street Subdistrict is only subdistrict that requires on-site affordable units calculated as 5% of the square footage of dwelling units developed within the FAR ratio of 8:1 and made affordable at 80% MFI or below

On-site Affordability Terms

Ownership:

120% MFI or below for 99 years

**Rainey Street Subdistrict is an exception with an 80% MFI limit*

Rental:

80% MFI or below for 40 years



Program Outcomes To Date



Program Outcomes

Project Status As of 08/14/2024	DDB Program	Rainey Street Subdistrict
Certified	2	1
Site Plan Under Review	3	1
Under Construction	7	4
Project Completed	6	7

These totals are only inclusive of projects that included an affordability community benefit contribution and were tracked through the [Affordable Housing Inventory](#). These totals do not include non-residential projects that did not pay a fee in-lieu of Affordable Housing but may have utilized the Downtown Density Bonus Program. These totals also do not include cancelled projects.

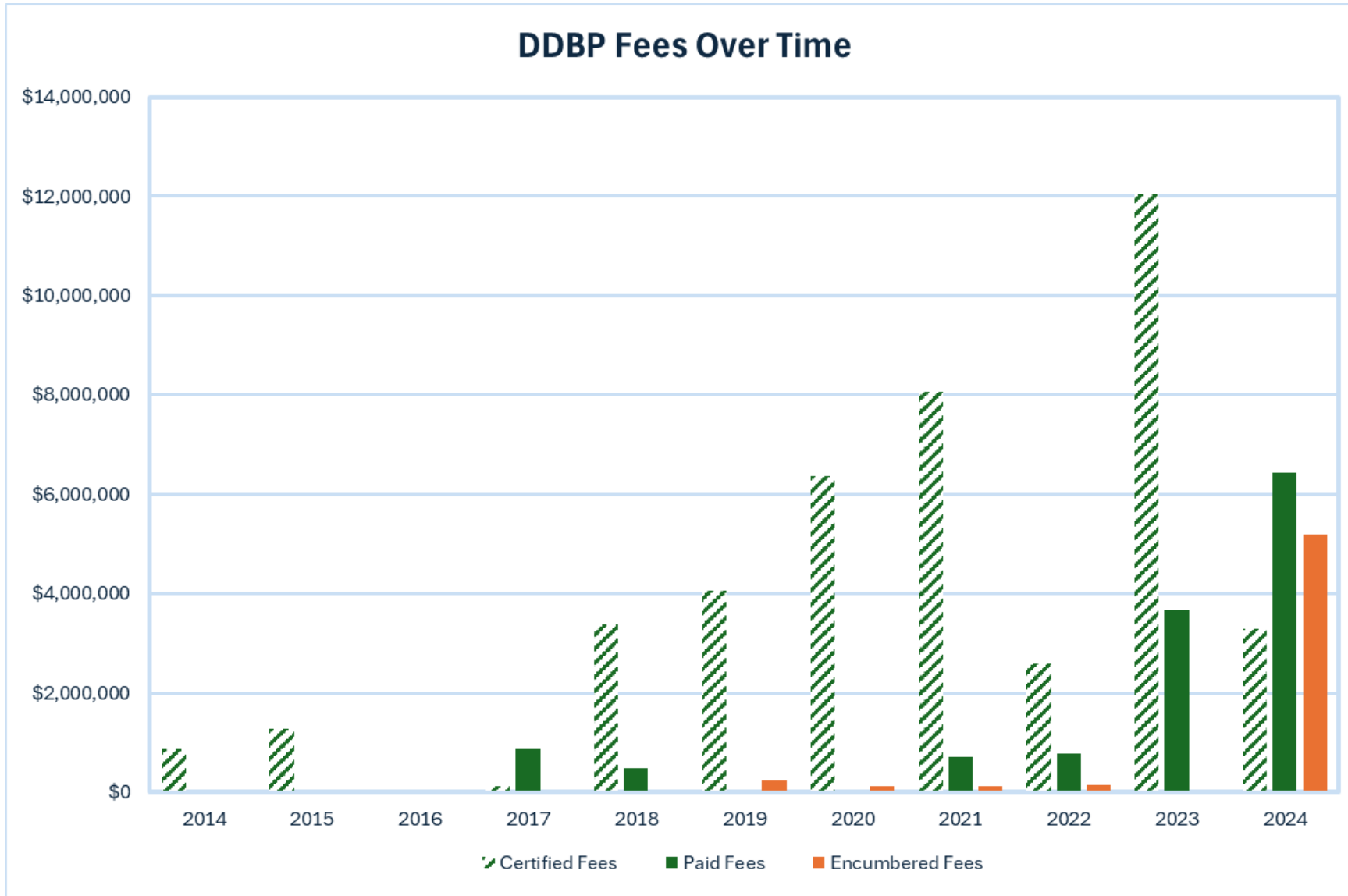
Certified Projects** by year	Overall DDB Program	Rainey Street Subdistrict
2012	0	1
2013	0	1
2014	1	1
2015	2	0
2016	0	0
2017	1	0
2018	1	1
2019	2	1
2020	2	1
2021	1	4
2022	1	1
2023	5	1
2024	2	0
Total	19	12

**Projects certified by Housing Dept. Does not reflect Design Commission approval



Development Pipeline

Certified/Site Plan Under Review/Building Permit Issued Projects	Downtown Density Bonus Program	Rainey Street Subdistrict
Estimated Total Rental Units	2,964	1,389
Estimated Affordable Rental Units	610	69
Estimated Total Ownership Units	0	861
Estimated Affordable Ownership Units	0	36
Estimated Total Fee-in-lieu Pending	\$26,533,356	\$5,305,640



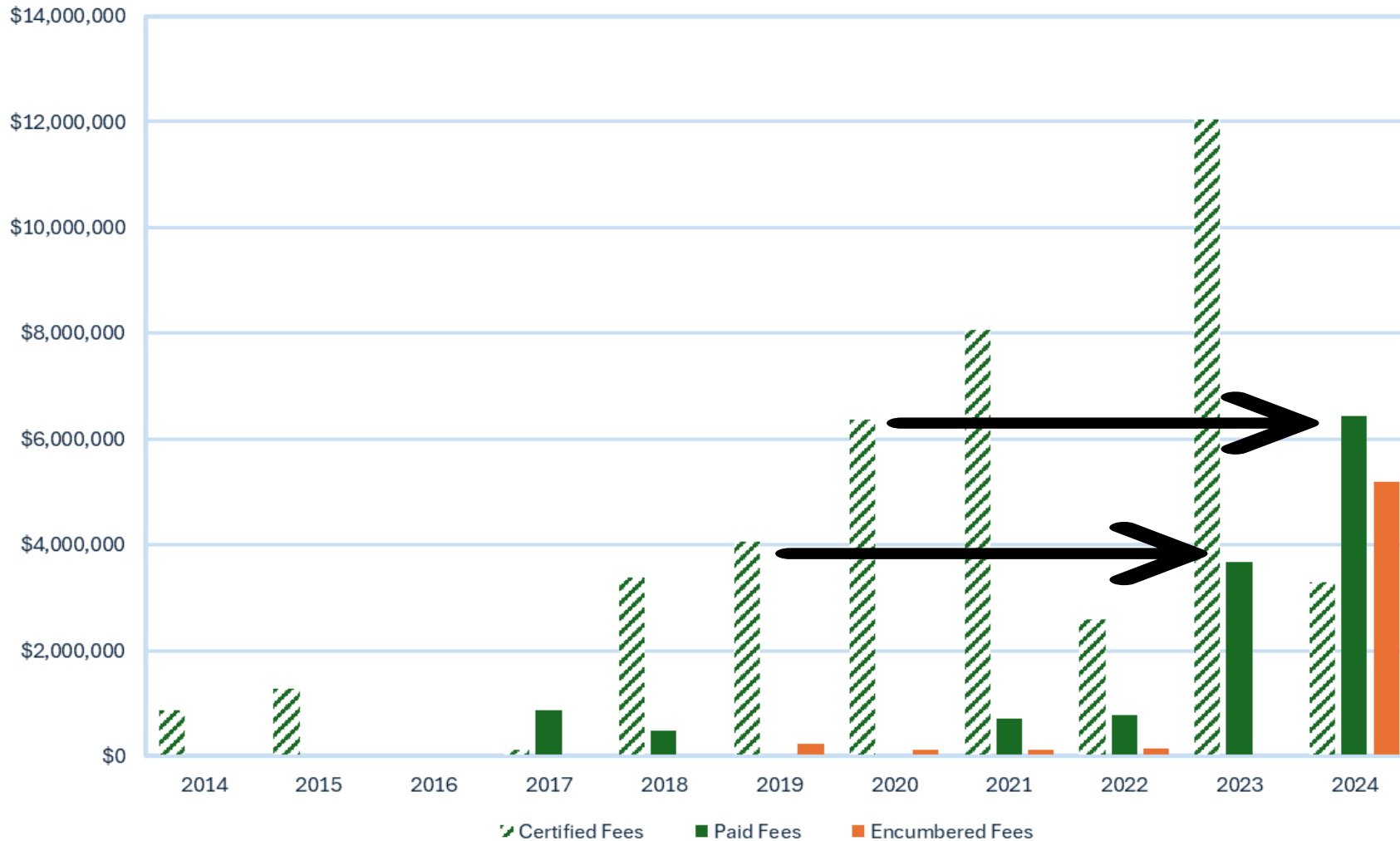
Certified fees are estimated pending final as-built dimensions

Fees are paid at completion of construction

Average time from certification to payment: 4.07 years



DDBP Fees Over Time



Certified fees are estimated pending final as-built dimensions

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Downtown Density Bonus Funds at work: Seabrook Square II

On February 29, 2024, the board of the Austin Housing Finance Corp. (AHFC) approved a \$7.9 million loan for Seabrook Square II. This loan included \$5.18 million in DDBP funds.

Seabrook Square II is a planned 60-unit permanent supportive housing development located at 2210 Pershing Drive. AHFC will own the land, entering into a long-term ground lease with partners including Integral Care.





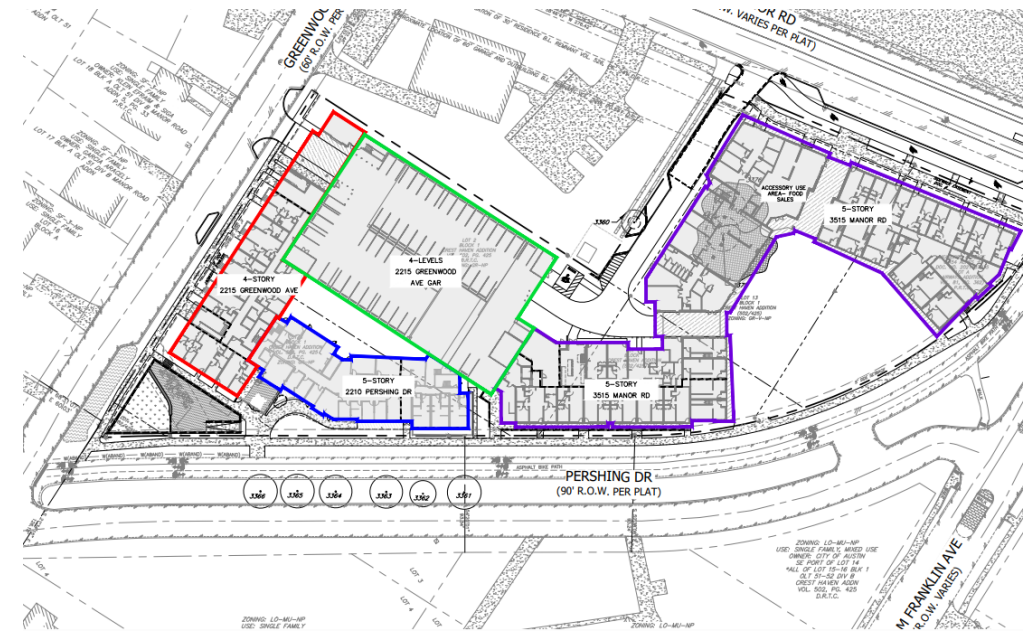
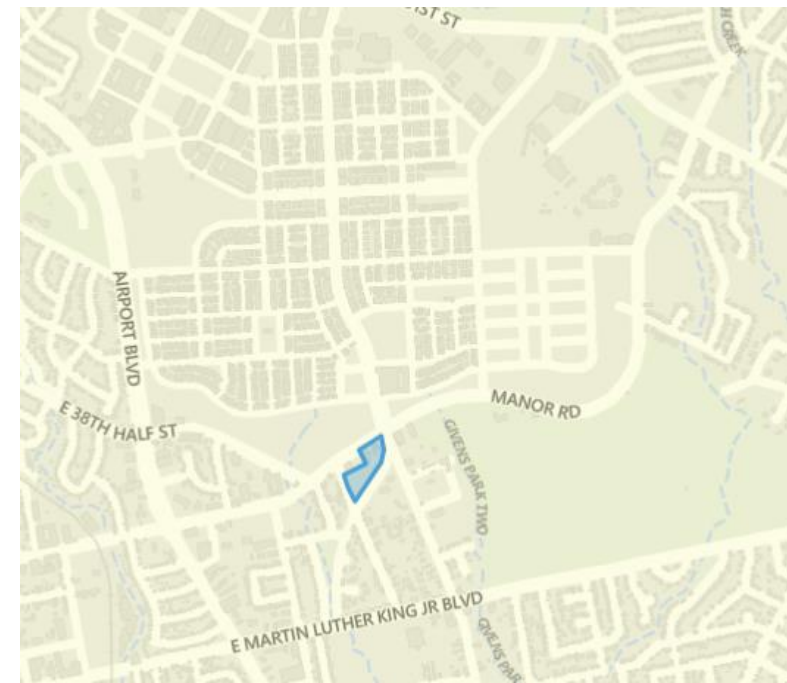
Seabrook Square

The 60-unit PSH Seabrook Square II will be the second phase of a larger mixed-income community known as Seabrook Square.

The overall Seabrook Square community will deliver 264 affordable units at 60% MFI, 50% MFI and 30% MFI. The community will include a large public plaza, a private courtyard for PSH residents, live/work units and non-residential space including a community artist incubator.

The property is owned by AHFC and was developed following a public engagement and RFP process.

Both phases broke ground in 2024.





Downtown Density Bonus Funds at work: Other Services Funded

Part 5. from 2013 Downtown Density Bonus Ordinance states: "Monies generated by the fee in Section 25-2-586(E)(l)(a)(ii) shall be prioritized for permanent supportive housing for low barrier approaches for the chronic homeless."

In total \$480,333 from the Downtown Density Bonus fund was spent on two contracts with ECHO for programs that offered a housing subsidy to individuals experiencing homelessness. An additional \$156,000 was spent for CoC consulting.

All individuals receiving a subsidy under the pilot were transitioned to a more permanent housing subsidy before the pilot ended.

Downtown Density Bonus Fund		
Service Expenditures		
Contract- Permanent Supportive Housing Pilot Program		\$234,822
Low Barrier Housing Voucher Program		\$245,511
ECHO Continuum of Care Consulting		\$156,000

